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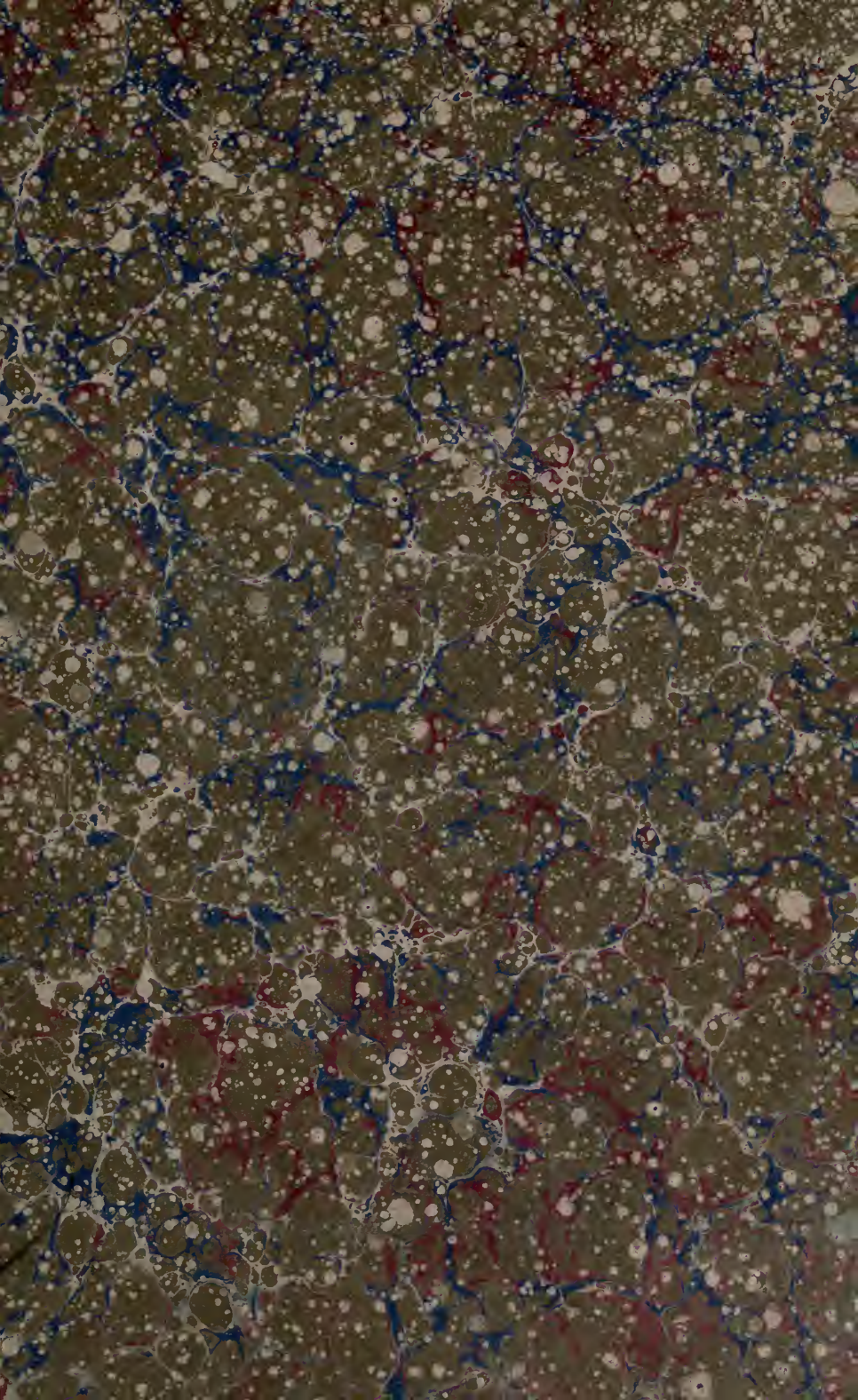
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ACTS

OF THE

Tennessee General Assembly

AND

ORDINANCE OF THE TAXING DISTRICT

AUTHORIZING THE

Settlement of the Memphis City Debt,

THE

CAPITALIZATION CALCULATION

AND THE

RULE FOR CALCULATING THE NET AMOUNT TO BE FUNDED.

AUDITING BOARD.

HON. DAVID P. HADDEN, CHAIRMAN,

JUDGE C. W. HEISKELL,

JUDGE S. P. WALKER,

C. L. PULLEN, SECRETARY.



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Acts of the Tennessee General Assembly.

CHAPTER CLIV.

AN ACT to repeal Chapter 29 of the Acts of the Second Extraordinary Session of the General Assembly of Tennessee, passed April 26, 1882; approved April 27, 1882.

SECTION 1. *Be it enacted by the General Assembly of the State of Tennessee*, That an Act passed April 26, 1882, approved April 27, 1882, entitled "An Act to amend the Act of 1881, Chap. CXXIII, passed April 6, 1881, entitled an Act to provide for the settlement of the indebtedness of the extinct municipality of the city of Memphis," which authorized a settlement of the debt of the city of Memphis and the Taxing District of Shelby county, on the terms therein stated, be and the same is hereby repealed.

SEC. 2. *Be it further enacted*, That this Act shall take effect from and after its passage, the public welfare requiring it.

Passed March 23, 1883.

B. F. ALEXANDER,
Speaker of the Senate.

W. L. LEDGERWOOD,
Speaker of the House of Representatives.

Approved March 26, 1883.

WM. B. BATE, *Governor.*

CHAPTER CLXII.

AN ACT to repeal an Act entitled "An Act to provide for the settlement of the indebtedness of the extinct municipality city of Memphis," and to dispose of the funds already collected and to be collected thereunder.

SECTION 1. *Be it enacted by the General Assembly of the State of Tennessee*, That an Act passed the 6th day of April, 1881, and approved the 6th day of April, 1881, entitled "An Act to provide for the settlement of the indebtedness of the extinct municipality city of Memphis," be and the same is hereby repealed.

SEC. 2. *Be it further enacted*, That this repeal of the said Act shall not affect the collection of the taxes already levied thereunder for the year 1882: *Provided*, that all persons who have not paid and still owe said taxes, are hereby relieved from all penalties imposed by law if they pay the same on or before November 1, 1883.

SEC. 3. *Be it further enacted*, That the board of commissioners created by said Act shall at once make a final and complete settlement of its affairs with the board of fire and police commissioners of the Taxing District of Shelby county, and shall immediately turn into the bonded depository, designated by such Taxing District, all funds in their hands; and the same, together with all future collections of said tax, are hereby devoted and appropriated to the exclusive purpose of paying the interest of the compromise bonds of said Taxing District in such manner as may be provided by law, and to such expenses as may have been incurred by the Taxing District in effecting a compromise settlement with the creditors.

SEC. 4. *Be it further enacted*, That this Act shall take effect from and after its passage, the public welfare requiring it.

Passed March 23, 1883.

B. F. ALEXANDER,
Speaker of the Senate.

W. L. LEDGERWOOD,
Speaker of the House of Representatives.

Approved March 26, 1883. WM. B. BATE, *Governor.*

CHAPTER CLXX.

AN ACT to empower Municipal Corporations and Taxing Districts to compromise and fund their indebtedness, issue bonds for the amount so funded, and to provide means for the payment of the same as compromised.

SECTION 1. *Be it enacted by the General Assembly of the State of Tennessee*, That all municipal corporations and taxing districts in this State are hereby authorized and empowered to compromise and settle their debts, and to issue their bonds and coupons therefor, as herein provided.

SEC. 2. *Be it further enacted*, That any municipal corporation or taxing district may issue its bonds at the rate of fifty per cent. of the principal and past due interest of all that part of the debt which has not heretofore been compromised under an Act passed March 8, 1877, and approved March 14, 1877, entitled "An Act to authorize municipal corporations to settle their indebtedness," Chapter 10 of the Acts of Tennessee, 1877. The said debt when thus settled, shall yield the holders thereof six per cent. interest. But for the first three years only three per cent. shall be paid, and three per cent. shall be capitalized, and for the next three years four per cent. interest shall be paid, and two per cent. capitalized, and thereafter six per cent. shall be paid.

SEC. 3. *Be it further enacted*, That in all cases where a portion of the debt of any municipal corporation or taxing district has heretofore been compromised under the aforesaid Act, and compromise bonds have been issued therefor, the settlement and compromise, under this Act, with the holders of said bonds, shall be at par. The holders of said compromise bonds may exchange them for the bonds authorized by this Act at par, with the interest thereon to be paid and capitalized as provided in section 2 of this Act, or they may retain their bonds and fund the interest past due, and the interest to be capitalized under the provisions of this Act, in the bonds herein authorized to be issued at par, in which case each coupon, on said bonds maturing for three years from January 1, 1883, shall have stamped on its back a provision that one-half thereon has been capitalized, and that the remaining one-half will be paid at maturity; and on each and every coupon maturing for the next three years there shall be stamped a provision that one-third thereof has been capitalized, and that the remaining two-thirds will be paid at maturity. Whenever said compromise bonds are retained, neither the acceptance of interest on them nor the capitalization of interest on them, as provided by this Act, shall be held or taken as a waiver of any rights which the holders of said bonds now have.

SEC. 4. *Be it further enacted*, That for the purpose of auditing and funding the debt of any municipal corporation or taxing dis-

trict under the provisions of this Act, a board, to be known as an auditing board, is hereby created, to be composed of the mayor, or president, or chief executive officer, and the attorney of the municipality or taxing district, and a third person of legal knowledge and of probity and capacity, to be appointed by the legislative council of such corporation or taxing district. Such chief officer shall be the chairman, and the secretary of the local government shall, *ex officio*, be the secretary of the board. Before entering upon their duties they shall severally take an oath of office before the Judge of any Circuit Court in the State, and shall severally give a special bond in the sum of twenty thousand dollars, with approved securities, to the satisfaction of such Judge, for the faithful discharge of their duties under this Act. The secretary, under the supervision of the board, shall keep its books and perform such other duties as the board may impose upon him. He shall receive for the entire services to be performed under this Act fifteen hundred dollars; and the chairman of the board shall receive one thousand dollars, and the other members five hundred dollars each, for their entire services under this Act; *Provided*, that the compensation here fixed may be reduced by any municipality or taxing district, when it deems the same excessive.

SEC. 5. *Be it further enacted*, That the said board shall carefully examine all the indebtedness presented to be funded under this Act, whether consisting of bonds, coupons, judgments, scrip, or other indebtedness; and if they ascertain and determine, from an inspection and examination of the same, that the bonds and coupons so presented were issued and signed by the duly constituted authorities of the municipal corporation or taxing district, and that the judgments on bonds or coupons were rendered on bonds or coupons which were issued and signed by the duly constituted authorities of the municipal corporation or taxing district, and that other indebtedness or claims presented, of whatsoever character, are the genuine indebtedness of the municipal corporation or taxing district, it shall be the duty of such board to audit the same, and to prepare new bonds therefor, as herein provided; the board is further authorized and

empowered to determine, compromise and adjust any other claim or demand that may be presented to be funded, its decision in the matter to be final and conclusive on such municipal corporation or taxing district; and if they are in doubt as to the propriety of funding such other claim or demand, they may make an agreed case with the claimant, to be determined by any court of competent jurisdiction, and if that cannot be done, then such creditor or claimant is left to establish his claim in any such court. But nothing contained in this Act shall be taken or construed to affect the right of any municipality or taxing district to rely upon the statute of limitation or to make any other defenses against the holders of any debt who do not accept the provisions of this Act.

SEC. 6. *Be it further enacted*, That whenever any bond, coupon, judgment, or other indebtedness or claim against any municipal corporation or taxing district is presented, and the auditing board find that it is entitled to be funded under the provisions of this Act; then upon the surrender of the holder of his evidence of indebtedness, or upon his acquittance of his debt, such municipal corporation or taxing district is hereby invested with full power and authority, and is required to issue, in its corporate name, a new bond, at the rates aforesaid, in exchange for the indebtedness so surrendered; and the same shall be delivered to the person entitled to receive it, and a full receipt taken from him showing the indebtedness surrendered and the bond received. This receipt shall be preserved, in a book kept for the purpose, among the other records of the local government.

SEC. 7. *Be it further enacted*, That the bonds hereby authorized to be issued shall be dated the 1st day of January, 1883. They shall be payable thirty years after their date, but shall be redeemable at par by the municipality or taxing district, or any successor thereof, at any time after the expiration of six years from their date. They shall bear interest at the rate of three per cent. *per annum* for the first three years, four per cent. *per annum* for the next three years, and six per cent. *per annum* for the remaining twenty-four years, evidenced by coupons attached payable semi-

annually in the city of New York, on the first day of January and July of each and every year, from and including the first day of July, 1883, to the maturity of the bond, the difference between the rates of interest here stated, and six per cent. being capitalized as hereinbefore set forth. The said bonds shall be in denominations of \$100, \$500 and \$1,000, at the option of the party funding. They shall be signed by the mayor or president or chief executive officer of the municipality or taxing district, and countersigned by the secretary of the local government, and the seal of the corporation shall be affixed thereto, which seal shall be provided by such local government for that purpose. In issuing said bonds, all due interest to the first of January, 1883, shall be computed and treated as part of the principal. The first coupon shall mature July first, 1883. A certificate shall be issued for any amount of debt as compromised less than \$100, which shall be convertible into the bonds, authorized to be issued by this Act, when presented in sufficient sums.

SEC. 8. *Be it further enacted*, That the bonds issued under this Act shall be substantially in the following form :

COMPROMISE BOND.

1883.

Bond issued for funding and compromising the debt of (here insert name of local government).

KNOW ALL PERSONS BY THESE PRESENTS, That (here insert name of local government), a corporation created under the laws of Tennessee, acknowledges itself indebted and firmly bound to —, or bearer, in the sum of — dollars, in lawful money of the United States of America, which sum the (here insert the name of local government) promises and obligates itself to pay to bearer, on the 1st day of January, 1913, with interest from the 1st day of January, 1883, at the rate of three per cent. *per annum* for the first three years, four per cent. *per annum* for the next three years, and six per cent. *per annum* thereafter until maturity, payable semi-annually in the city of New York, on the 1st day of January and July of each year, on the presentation and delivery of the attached

coupons. The bond shall be redeemable at any time after the 1st day of January, 1889. This bond and coupons are issued in settlement and compromise of valid and legal indebtedness of (here insert name of local government), under and in pursuance of and in strict conformity with an ordinance or resolution of the legislative council of (here insert name of local government), and executed under authority of the Constitution, and in accordance with the laws of Tennessee, and an Act of the Legislature of Tennessee, passed on the — day of —, 1883, entitled An Act—, Acts of Tennessee, 1883, Chapter —, and the holder is entitled to all of the rights and remedies set forth in and secured to him by said ordinance, Act of the Legislature, and laws of Tennessee, and in consideration of the surrender on the part of the creditor of a portion of the debt due to him from said corporation, it is expressly declared that the faith and credit of (here insert name of local government) are hereby pledged to the prompt payment of this bond and the coupons attached; and it is further stipulated that no plea of illegality, irregularity, or want or failure of consideration in the debt so surrendered, shall ever be made by the debtor corporation in any legal proceeding on this bond or the coupons here attached.

SEC. 9. *Be it further enacted*, That it shall be the duty of the auditing board, upon the surrender of any evidence of indebtedness for which a new bond is to be issued, and before the bond is signed and issued, to cancel the evidence of indebtedness so surrendered with a punch so that it cannot be again used. All matured coupons shall be surrendered with the bonds, and no bond shall be received or funded, from which unmatured coupons are detached, unless such coupons are produced and surrendered with the bond. The officers of the local government shall from time to time examine the work of the auditing board, and destroy all evidences of indebtedness surrendered and canceled.

SEC. 10. *Be it further enacted*, That the auditing board hereinbefore created, shall keep, for and on behalf of the local government, a complete bond registry, and set of books, showing all bonds issued, date, amount, etc., all bonds or indebtedness surrendered,

and all the other transactions of such board. When bonds or coupons are paid, their payment or cancellation shall be noted in the said registry. The books here required shall be safely kept among the local government records.

SEC. 11. *Be it further enacted*, That an annual interest tax shall be levied by the General Assembly of the State of Tennessee, at each regular biennial session, on all the taxable property, including merchants' capital, of the municipality or taxing district availing itself of the provisions of this Act, or the successor, by whatever name styled, sufficient in amount, after proper allowances for errors, insolvencies and deficiencies, to meet the interest as it matures on the bonds provided for by this Act. An annual sinking fund tax, equal to ten cents on the one hundred dollars of property, shall also be levied by the General Assembly, and collected annually, beginning with the year 1889, to be applied to the redemption or purchase of said bonds, but only one-fifth of the amount of the sinking fund so imposed on property in the original wards of such local governments shall be levied on property in the other wards as they existed when added to the original wards, and the said tax shall be imposed so that the total sinking fund tax shall equal ten cents on the one hundred dollars of all the taxable property of such municipality or taxing district, and for so much, if any, on such bonded indebtedness as has not been bought in or retired at or before maturity. The General Assembly shall levy a tax sufficient and adequate to pay the same when due, and the said taxes hereby required to be levied, shall be levied and collected at the same time and in the same manner that all other taxes are or may be levied or collected for said municipality or taxing district, or its successor, and shall be entitled to all the liens, remedies and penalties that are or may be provided for the collection of the revenue of such local government and of the State of Tennessee.

SEC. 12. *Be it further enacted*, That if the General Assembly shall fail or omit at any time to levy such tax as hereinbefore provided, to pay such principal and interest, and create such sinking fund, then it shall be the duty of every municipal corporation or

taxing district, which compromises its debts under the provisions of this Act, to levy such tax as the General Assembly should have levied, and shall have so failed to levy; and as against such corporation, taxing district, or its successor, the holders of the bonds and coupons provided for by this Act may have judicial process to enforce the performance of this duty; and to make certain the provision for the payment of the principal and interest of said debt, in the event of the omission of the General Assembly, from time to time, to levy the taxes necessary to carry out the settlement authorized by this Act, as hereinbefore set out, power is hereby expressly conferred upon such municipality or taxing district, or its successor, to levy such omitted tax. But this power is given for the sole purpose of supplying such omission, and is to be exercised for that and for no other purpose whatever; and the power is only to be exercised in the event of the default of the General Assembly, and only for the amount and for the period as to which the General Assembly shall have made such default, and only in behalf of those who accept the terms and provisions of this Act, and those claiming under them. No other taxing power whatever, and no taxing power for any other purpose whatever than as hereinbefore set out, shall be exercised by the municipal corporation, taxing district, or its successor, as aforesaid, under this Act, and no *mandamus* or other judicial process shall be issued by any court to require such corporation, taxing district, or its successor, to levy any other tax, or in any other amount, or under any other circumstances, than as hereinbefore provided.

SEC. 13. *Be it further enacted*, That the purchase or redemption of the bonds of any municipality or taxing district out of any funds created or appropriated by this Act for that purpose, shall be made at the lowest bids obtainable after advertisement by the mayor, president or chief executive officer of such local government, in at least two daily newspapers; all of such bids to be opened in the presence of the legislative council; and the chief executive officer may also, at any time after six years from the date of the bonds, and out of the funds collected for that purpose, call in and pay any of the

bonds provided for by this Act, such bonds to be designated by and in the order of their respective numbers, and the interest thereon to cease from and after such call, if the money is on hand for their payment; such bonds shall be paid or redeemed by the depository hereinafter created of such local government, under the direction and order of the mayor, president or chief executive officer thereof.

SEC. 14. *Be it further enacted*, That any municipality or taxing district compromising its debt under this Act, shall, through its legislative council or local government, annually designate a bank, situated within its corporate limits, as a depository, where all the funds collected or appropriated for the payment of the principal or interest of its compromised debt, shall be deposited and kept. Such depository shall execute a bond, with approved securities, in such sum as the local government may require, conditioned to account for all money received by it, and for the faithful execution of its trust; and this bond may be increased when necessary, and the corporate funds may at any time be removed from the depository, when, in the opinion of the legislative council, the safety thereof is in jeopardy. All collecting or other officers shall immediately upon the collection, or receipt thereof, pay into said depository all funds required by law to be deposited or paid there, whether received from any interest or sinking fund tax, or from any other source, and shall report such payments to the local government at least once a week. The depository shall report monthly the amount of corporate funds on hand to the local government, and shall make settlements every six months, showing the amount of money received, from what source, the amount paid out, and the bonds and coupons paid; and before it is credited with the bonds and coupons so paid, they shall be canceled with a punch by the mayor, president or chief executive officer of the local government, in the presence of at least one representative of the depository. Said depository shall apply all the corporate funds received by it, under the direction and supervision of the mayor, president or chief executive officer, to the payment of the coupons and bonds herein provided for, but to no other debt and for no other purpose. It shall pay all the coupons on said

bonds as they mature, and the bonds which may be purchased or redeemed as hereinbefore set out, under the direction of the president, mayor or chief executive officer of the local government. Any surplus of funds, not required to pay the interest arising from any source during the first six years from the date of the bonds, shall be applied to the purchase of the bonds or interest provided for by this Act. The said depositary shall receive no compensation for the services rendered under this Act.

SEC. 15. *Be it further enacted*, That every part of this Act shall be taken and considered as a contract by and between the State and municipal corporation or taxing district issuing bonds under it on the one part, and the parties accepting and holding said bonds on the other; and no part thereof material to the rights and remedies of the holders and owners of such bonds shall be subject to modification, change or repeal so long as the same or any part thereof shall remain unpaid.

SEC. 16. *Be it further enacted*, That the acceptance and consummation, by any creditor, of the compromise provided by this Act, shall of itself operate to assign and transfer to said municipal corporation or taxing district, all his rights to and claims against the uncollected taxes or other assets whatever of said municipal corporation, with the right in said municipal corporation or taxing district to enforce the same, either in its own name or in the name of the creditor, the funds that may be realized therefrom, to be paid in to the designated depositary of such municipality or taxing district; and they are hereby devoted and appropriated exclusively to the payment of the bonds and coupons that come under the provisions of this Act.

SEC. 17. *Be it further enacted*, That the holders of any part of the debt of any municipality or taxing district, to which this Act may apply, who do not fund their indebtedness or comply with the provisions of this Act, on or before the 1st day of February, 1884, shall not be entitled to any of its benefits. The power to adjust and compromise the said debt must be exercised on or before said 1st of February, 1884, and on that day the authority hereby granted

shall cease, and such municipality or taxing district shall have no power thereafter to issue the bonds herein provided for.

SEC. 18. *Be it further enacted*, That as soon as practicable after the passage of this Act, there shall be prepared under the direction of the mayor, president or chief executive of the municipality or taxing district and the auditing board, a sufficient number of well engraved or lithographed bonds and coupons of the denominations and substantially in the form above described, to take up and fund the debts of municipal corporations and taxing districts, as provided by this Act. The coupons shall be numbered with the number of the bond to which they are attached, and shall show on their face when they fall due, and the amount due on each. The cost for engraving or lithographing and preparing said bonds and coupons, and all the cost of the books required to be kept, the salaries of the members of the auditing board, and their secretary, and all the other expenses necessarily incident to the settlement of the debt, as required by this Act, shall be paid by the municipality or taxing district, on the warrant of the mayor, president, or chief executive officer thereof, out of any funds in the designated depository, realized from any source under the provisions of this Act, which are not required for the payment of interest, and the said depository shall be credited with such payments in its settlements.

SEC. 19. *Be it further enacted*, That for any violation of the trusts imposed on the officers and agents employed under this Act, the same consequences shall follow, criminally and civilly, that result from any breach of trust or willful violation of duty imposed by law upon any of the officers of any municipal corporation or taxing district within this State for a breach of trust or willful violation of duty, and, on conviction, to be punished in like manner.

SEC. 20. *Be it further enact d*, That such portions only, and particularly so much of section 12, of an Act passed January 29, 1879, entitled "A Bill to establish taxing districts in the State, and to provide the means of local government for the same," as are in conflict with the provisions of this Act, and that all laws or parts of laws, in conflict herewith, be and the same are hereby repealed.

SEC. 21. *Be it further enacted*, That this Act shall take effect from and after its passage, the public welfare requiring it.

Passed March 23, 1883.

B. F. ALEXANDER,
Speaker of the Senate.

W. L. LEDGERWOOD,
Speaker of the House of Representatives.

Approved March 28, 1883.

WM. B. BATE, *Governor.*

CHAPTER CLXV.

AN ACT to levy a tax on all taxable property in the Taxing Districts and Municipalities in the State which have compromised and funded, or may compromise and fund their indebtedness under an Act passed the 23d day of March, and approved the 28th day of March, 1883, entitled "An Act to empower municipal corporations and taxing districts to compromise and fund their indebtedness, issue bonds for the amount so funded, and to provide means for the payment of the same, as compromised," for the payment of the interest on the debt so compromised and funded.

SECTION 1. *Be it enacted by the General Assembly of the State of Tennessee*, That for the purpose of paying the interest on the debts of the municipalities and taxing districts in this State compromised or to be compromised under an Act passed the 23d day of March, 1883, entitled "An Act to empower municipal corporations and taxing districts to compromise and fund their indebtedness, issue bonds for the amount so funded, and to provide means for the payment of the same as compromised," an annual tax of ninety cents on the hundred dollars, payable in lawful money of the United States, is hereby levied for the years 1883 and 1884, on all the taxable property now taxed by law, in the original wards of the municipalities or taxing districts embraced by the provisions of this Act; and of eighteen cents on the hundred dollars of all such taxable property in the other wards of such local government as they existed when added to the original wards.

SEC. 2. *Be it further enacted*, That the tax hereby levied shall become due and be collected at the same time, in the same manner, and by the same officers as the other taxes imposed for such municipalities or taxing districts, with like liens and remedies for collection, and penalties for non-payment thereof, and upon the same assessments and valuations; *provided*, that the tax hereby levied for the year 1883 shall be due immediately on the passage of this Act, and shall become delinquent on the 15th day of April, 1883, and the sale of property for the non-payment of said tax, in the manner now provided by law for other municipality and taxing district taxes, shall be made on the first Monday in July, 1883. The fees of the officers shall be the same as for collecting other taxing district taxes; and the collecting officers shall pay once a week into the depository designated by such municipality or taxing district the money collected from this tax; and it shall be faithfully applied to the payment of interest on the compromised debt of such municipality or taxing district.

SEC. 3. *Be it further enacted*, That this Act shall take effect from and after its passage, the public welfare requiring it.

Passed March 23, 1883.

B. F. ALEXANDER,

Speaker of the Senate.

W. L. LEDGERWOOD,

Speaker of the House of Representatives.

Approved March 27, 1883.

WM. B. BATE, *Governor.*

FUNDING ORDINANCE.

SECTION 1. *Be it ordained by the Legislative Council of the Taxing District of Shelby County, Tenn.,* That in order to carry out the provisions of an act passed by the General Assembly of Tennessee on the 23d day of March, 1883, entitled "An Act to empower municipal corporations and taxing districts to compromise and fund their indebtedness and issue bonds for the amount so funded, and to provide means for the payment of the same as compromised," there be immediately prepared two stamps, with the name of the President of the Taxing District engraved thereon: one, with the words, "one-half of this coupon capitalized, remainder will be paid at maturity," engraved thereon; and it shall be the duty of the Auditing Board provided for in said act, to stamp with said stamp on the back of each of the six coupons, due respectively six months, one year, one and one-half years, two years, two and one-half years, and three years from January 1, 1883, on all Flippin compromise bonds, the holders of which accept the provisions of the act aforesaid, but retain their bonds. The other of said stamps shall have engraved thereon the words, "one-third of this coupon capitalized, remainder will be paid at maturity;" and with this stamp said Auditing Board shall stamp each of the six coupons of said Flippin compromise bonds maturing respectively "three and one-half," "four," "four and one-half," "five," "five and one half," and "six" years from January 1, 1883. New bonds shall be issued under the provisions of the aforesaid act, and this ordinance, to all holders of Flippin compromise bonds who will surrender their said bonds, and take new compromise bonds under said act and this ordinance.

SEC. 2. *Be it further ordained,* That there shall be engraved or lithographed a form of bonds with sixty coupons attached, the last six of said coupons being for three per cent. interest and the six next to the last coupons being for four per cent. interest, and the

remaining forty-eight coupons being for six per cent. interest. Said bonds shall be in the form and denominations prescribed in the eighth section of the act aforesaid, namely:

TAXING DISTRICT COMPROMISE BOND.

1883.

Bond Issued for Funding and Compromising the Debt of the City of Memphis.

No.....

\$.....

KNOW ALL MEN BY THESE PRESENTS, That the Taxing District of Shelby County, Tennessee, a corporation created under the laws of Tennessee, acknowledges itself indebted and firmly bound unto, or bearer, in the sum of dollars [to be printed in full], in the lawful money of the United States of America, which sum the Taxing District of Shelby County, Tennessee, promises and obligates itself to pay to bearer, on the 1st day of January, A. D. 1913, with interest from the 1st day of January, 1883, at the rate of three per cent. per annum for the first three years, four per cent. per annum for the next three years, and six per cent. per annum thereafter until maturity, payable semi-annually in the city of New York, on the 1st day of January and July of each year, on the presentation and surrender of the attached coupons. This bond shall be redeemable at any time after the 1st day of January, 1889. This bond and coupons are issued in settlement and compromise of valid and legal indebtedness of the city of Memphis, under and in pursuance of and in strict conformity with an ordinance and resolution of the Legislative Council of the Taxing District of Shelby County, Tennessee, and executed under authority of the constitution, and in accordance with the laws of Tennessee, and an act of the Legislature of Tennessee, passed on the 23d day of March, 1883, entitled "An Act to empower Municipal Corporations and Taxing Districts to compromise and fund their indebtedness, issue bonds for the amount so funded, and to provide means for the payment of the same as compromised," and the holder is entitled to all of the rights and remedies set forth in and secured to him by said ordinance and act of the Legislature and the laws of Tennessee. And in consideration of the surrender on the part of the creditor of a portion of the debt due to him from said corporation, it is expressly declared that the faith and credit of the Taxing District of Shelby County, Tennessee, are hereby pledged to the prompt payment of this bond and coupons attached; and it is further stipulated that no plea of illegality, irregularity or want or failure of consideration in the debt

so surrendered shall ever be made by the debtor corporation in any legal proceedings on this bond or the coupons hereto attached.

President of the Taxing District of Shelby County, Tenn.

Secretary.

Each of these compromise bonds shall, before issuance and delivery, be executed by the President of the Taxing District aforesaid, countersigned by the Secretary, and sealed with the corporate seal, which shall be at once prepared, the device thereon to be "The Taxing District of Shelby County, Tenn."

The form of said coupons shall be as follows :

"State of Tennessee, No.— \$—. The Taxing District of Shelby county, Tennessee, promises to pay to bearer the sum of —— on the —— day of ——, in the city of New York, being for six months' interest on bond No.—."

Each of these coupons shall have the signature of the President of the Taxing District of Shelby county, Tennessee, lithographed thereon.

There shall be prepared and delivered to said Auditing Board 2500 of said bonds, each of the denomination of \$1000, and each with sixty coupons attached; 2000 of said bonds, each of the denomination of \$500, and each with sixty coupons attached, and 2000 of said bonds, each of the denomination of \$100, and each with sixty coupons attached. And when the same are so delivered to said Auditing Board, it shall be its duty to safely and securely keep the same and see that the same are only used in funding said debt provided by said act aforesaid, and for no other purpose whatever. The contract for engraving or lithographing said bonds and coupons shall be made with some responsible firm, who will give bond in the sum of \$25,000 for the faithful performance of the work, the safe delivery to the Auditing Board aforesaid of all bonds, coupons and certificates prepared under the contract, and for the safe delivery, after the work is finished, to said Auditing Board of the plates or lithograph stones, and it shall be the duty of said board to destroy the same immediately after receiving them, and report their action in this behalf to this Council.

SEC. 3. *Be it further ordained*, That the following shall be the form of certificate provided for in the seventh section of said act:

No..... COMPROMISE CERTIFICATE. \$.....
TAXING DISTRICT OF SHELBY COUNTY, TENNESSEE,
January 1, 1883.

THIS CERTIFIES, That there is due to the order of.....
.....Dollars, with interest from the 1st day of January,
1883. This certificate is issued under the seventh section of an
Act of the General Assembly of Tennessee, passed March 23, 1883,
entitled "An Act to empower municipal corporations and taxing
districts to compromise and fund their indebtedness, issue bonds
for the amount funded, and to provide means for the payment of
the same so compromised." It bears interest at the rate of three
per cent. for the first three years from date, four per cent. for the
next three years, and six per cent. thereafter. It is convertible
into bonds under said Act, when a sufficient amount is presented,
and is redeemable after six years under said Act.

This form of certificate shall be prepared at once, lithographed or engraved, and the provisions of the second section of this ordinance shall apply to them as well as to the bonds and coupons therein provided for. They shall be executed by the President of the Taxing District in the settlement of any fractional amounts less than \$100 that may remain unsettled of claims audited and allowed by the Auditing Board, and before signing shall each be properly noted in the bond registry book after being passed upon by the Auditing Board.

SEC. 4. *Be it further ordained*, That the Auditing Board aforesaid shall provide a punch, and it shall cause every bond and coupon and every other evidence of indebtedness surrendered to be canceled by punching a hole through each and every of such evidence of indebtedness, in such manner that the same cannot be used or re-issued. Said canceled evidences of indebtedness said Auditing Board shall carefully preserve, after noting the same as to amount, character and date on bond registry, and books required by said Act to be kept by said board, and turn the same over to this board as required by said Act; which canceled evidences of indebtedness

shall be safely kept by the Secretary of this board until its further order in respect of the same.

SEC. 5. *Be it further ordained*, That the Union and Planters Bank, of Memphis, shall, for the year 1883, and up to the 1st day of April, 1884, be the depository of all the funds collected and appropriated for the payment of the interest on the debt compromised under the act aforesaid. The duties and responsibilities of said depository are defined in the act aforesaid, and it shall receive no compensation for the services therein and thereby required of it. Said bank shall give bond in the sum of \$150,000, with not less than five good and sufficient sureties to be approved by this Council; said bond to be conditioned as required by the eleventh section of said act, and the County Trustee shall daily deposit in said bank all moneys collected by him under an act passed March 23, 1883, entitled, "An Act to levy a tax on all the taxables in the taxing districts and municipalities in the State which have compromised and funded, or may compromise and fund their indebtedness under an act passed on the 23d day of March, 1883, entitled, 'An Act to empower municipal corporations and taxing districts to compromise and fund their indebtedness, issue bonds for the amount so funded, and provide means for the payment of the same as compromised,' for the payment of the interest on the same debt as compromised and funded." And said trustee will daily report to the secretary of this board the amounts of such daily deposits. He shall also give bond in the sum of \$10,000, conditioned according to law, for the faithful performance of the duties required of him under said acts and in regard to such taxes and funds. All moneys arising from collections made under the act commonly known as the "Liquidating Board Act," passed April 6, 1881, shall be at once deposited in said designated depository by said Liquidating Board, and any other officers collecting the same, as required by law.

SEC. 6. *Be it further ordained*, That said depository shall keep all deposits to the credit of bond and interest account of the Taxing District, and shall pay out the same only on the orders and under the directions of the President of the Taxing District, and upon

presentation and the surrender of the vouchers therefor shall receive the warrant signed by two of the Fire and Police Commissioners, and the secretary shall keep a strict account of the same; and none of the funds aforesaid shall be appropriated or used in any manner, or for any other purpose but for the carrying out of the compromise Act aforesaid; provided, that the expenses of making the same, the books, stamps, seal, bonds and certificates, required by said compromise Act, shall be paid out of said fund, as well as the salary of said Auditing Board and the secretary thereof, as provided for in said Act. Said salaries to be paid one-tenth monthly, beginning April 1, 1883, and ending February 1, 1884.

SEC. 7. *Be it further ordained*, That all bonds and coupons paid under the provisions of said compromise Act shall be canceled as provided in this ordinance for compromised coupons, and when canceled shall be safely kept by the secretary of this board for the inspection and further orders of this board. But before the same are canceled he shall, under the supervision of the President, note in a book, to be called the Bond and Coupon Book, the amount of each coupon, the bond from which detached, and the amount of payment.

Passed March 31, 1883.

DAVID P. HADDEN,

Attest: CHAS. L. PULLEN, *Secretary*.

President.

CAPITALIZATION CALCULATION.

PHILADELPHIA, April 23, 1883.

C. L. Pullen, Esq., *Secretary Board of Fire and Police Commissioners, Memphis, Tenn.*:

DEAR SIR:—We duly received your favor of 11th inst., and in answer thereto, enclose statement showing the figures desired.

The delay in answering was caused by press of business and illness of the person who made up the statement.

Truly yours,

DREXEL & CO.

TAXING DISTRICT, SHELBY COUNTY, TENN., }
May 14th, 1883. }

At a meeting of the Auditing Board, held on this day, the following calculation of the capitalization, prepared by Drexel & Co., Philadelphia, Pa., at request of the Board, was adopted.

DAVID P. HADDEN, }
SAML P. WALKER, } Auditing Board.
C. W. HEISKELL, }

ATTEST: C. L. PULLEN, *Secretary*.

SIX PER CENT. INVESTMENT.

Loss between Six Per Cent. and Three Per Cent. Three Years, and Four Per Cent. Three Years on \$1000.

To Capitalize the Loss of \$180.54 to receive Three Per Cent. for Three Years, Four Per Cent. for Three Years and Six Per Cent. for Twenty-Four Years, would make the amount \$145.

Six months.....	\$ 15 00 div. 45 int. 15 00 div.	Six months.....	\$ *2 17 div. 07 int. 2 18 div.
One year.....	30 45 91 int. 15 00 div.	One year.....	4 42 13 int. 2 17 div.
1 year 6 months.....	46 36 1 39 int. 15 00 div.	1 year 6 months.....	6 72 20 int. 2 18 div.
2 years.....	62 75 1 88 int. 15 00 div.	2 years.....	9 10 27 int. 2 17 div.
2 years 6 months.....	79 63 2 39 int. 15 00 div.	2 years 6 months.....	11 54 34 int. 2 18 div.
3 years.....	92 02 2 91 int. 10 00 div.	3 years.....	14 06 42 int. †2 90 div.
3 years 6 months.....	109 93 3 30 int. 10 00 div.	3 years 6 months.....	17 38 52 int. 2 90 div.
4 years.....	123 23 3 70 int. 10 00 div.	4 years.....	20 80 62 int. 2 90 div.
4 years 6 months.....	136 93 4 11 int. 10 00 div.	4 years 6 months.....	24 32 73 int. 2 90 div.
5 years.....	151 04 4 53 int. 10 00 div.	5 years.....	27 95 84 int. 2 90 div.
5 years 6 months.....	165 57 4 97 int. 10 00 div.	5 years 6 months.....	31 69 95 int. 2 90 div.
6 years.....	180 54	6 years.....	35 54
		Amount Capitalization...	145 00
			\$180 54

* Six months interest on \$145 at 3 per cent. † Six months interest on \$145 at 4 per cent.

For each net \$1000 of indebtedness funded there should be \$145 Scrip or Bond issued in order to pay 6 per cent. on the Compromise Bonds or Debt.

DREXEL & CO.

R U L E .

Calculate the interest at 6 per cent. per annum on all past due indebtedness up to January 1, 1883, and add to the principal; then discount it at 50 per cent., and to the net amount thus obtained add the capitalization at the rate of \$145 per \$1000, which will give the amount of new bond to be issued.

NOTE.—The Flippin Bonds and Coupons are not discounted as above, that already having been done when they were issued.

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